



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 1, 1999

H.R. 1243

National Marine Sanctuaries Enhancement Act of 1999

As ordered reported by the House Committee on Resources on June 9, 1999

SUMMARY

Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 1243 would cost the federal government \$225 million over the 2000-2004 period. (The balance of \$25 million of the authorized funds would be spent in subsequent years.) The bill could affect direct spending and governmental receipts; therefore, pay-as-you-go procedures would apply. CBO estimates, however, that any effects on receipts or direct spending would be minimal. H.R. 1243 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

H.R. 1243 would amend the National Marine Sanctuaries Act, which authorizes and governs two programs carried out by the National Oceanic and Atmospheric Administration (NOAA): the National Marine Sanctuaries System (NMSS) and the National Estuarine Research Reserve System (NERRS). The amendments would streamline the process for designating new sites for the NMSS, strengthen existing enforcement measures, and authorize new construction activities at units of the two systems. In addition, the bill would authorize appropriations for new and existing activities to support these systems.

Title I would authorize the appropriation of \$26 million annually over the 2000-2004 period for operation of the NMSS and \$3 million annually over the same period for new construction projects at marine sanctuaries. Title II would authorize appropriations for grants made under the NERRS program. The bill would authorize grants for new construction projects at national estuarine reserves (\$12 million annually over the 2000-2004 period) and grants for reserve operations and other NERRS purposes (\$7 million for 2000, \$8 million for 2001, \$9 million for 2002, \$10 million for 2003, and \$11 million for 2004).

In addition to amendments made to streamline or enhance the NMSS and NERRS programs and to the authorizations of appropriations for the two systems, other provisions of the bill would:

- Increase civil penalties imposed on persons who damage sanctuary resources and make other federal agencies who take actions (other than those recommended by NOAA) that affect marine sanctuaries liable for the costs of mitigating any harm and restoring or replacing damaged resources;
- Change the way NOAA sets fees for special use permits at sanctuaries;
- Clarify how NOAA may collaborate with other entities in using NMSS symbols to enhance the system;
- Allow the agency to apply for, accept, and use grant funds from state, local, and regional government agencies; and
- Authorize the agency to accept and use donations from nonprofit groups (under cooperative agreements) and others in carrying out activities at national estuaries.

Other provisions of the bill, most of which would make technical amendments to the National Marine Sanctuaries Act, would have little or no effect on the federal budget.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1243 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

For purposes of this estimate, CBO assumes that the entire amounts authorized for all activities will be appropriated in each fiscal year. Outlays are based on historical spending patterns for the affected programs or, in the case of the new construction authorizations, similar activities of NOAA.

Section 105 of H.R. 1243 would specifically make federal agencies liable for damages they may cause to marine sanctuaries if their activities are not approved or recommended by NOAA. The costs of mitigating damage to sanctuaries and restoring or replacing damaged resources could be significant, but CBO believes that such costs would have been incurred under existing law even in the absence of this provision.

| | By Fiscal Year, in Millions of Dollars | | | | | |
|--|--|------|------|------|------|------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Spending Under Current Law | | | | | | |
| Budget Authority ^a | 26 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 21 | 7 | 3 | 2 | 0 | 0 |
| Proposed Changes | | | | | | |
| Authorization Level | 0 | 48 | 49 | 50 | 51 | 52 |
| Estimated Outlays | 0 | 32 | 43 | 48 | 50 | 52 |
| Spending Under H.R. 1243 | | | | | | |
| Authorization Level ^a | 26 | 48 | 49 | 50 | 50 | 52 |
| Estimated Outlays | 21 | 39 | 46 | 50 | 50 | 52 |

a. The 1999 level is the amount appropriated for that year for NMSS and NERRS. Of this amount, about \$7 million was appropriated for construction at national estuaries.

Section 106 would amend enforcement provisions of the National Marine Sanctuaries Act. Because this section would raise civil penalties imposed under the act, governmental receipts could increase. CBO estimates that any increases would be less than \$500,000 a year.

Several other provisions could affect offsetting receipts (a credit against direct spending) or governmental receipts. Because all of the changes in such receipts would be offset by equal changes in direct spending, none of these provisions would have any net effect on the federal budget over time. Moreover, most such changes would be negligible. These provisions are:

- Section 109, which could result in additional offsetting receipts by making it easier for NOAA to charge fees for special use permits at sanctuaries, and which could result in lower receipts by preventing the agency from recovering certain sanctuary-related expenses and by allowing it to accept in-kind contributions in lieu of fees;
- Section 110, which would allow NOAA to accept and use grants provided by state, local, or regional government agencies;
- Section 114, which would clarify that NOAA may authorize the use of certain symbols of the NMSS by collaborators engaged in joint efforts with the agency to benefit the system; and
- Section 203, which would grant the NERRS program the same authority to collect and use private donations as the NMSS program enjoys.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Several provisions of H.R. 1243 could affect direct spending and governmental receipts. CBO estimates, however, that these provisions would not have a significant effect on the federal budget in any year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 1243 contains no intergovernmental mandates as defined in UMRA. Both of the programs reauthorized by this bill involve voluntary participation by state and local governments, particularly the National Estuarine Reserve System, which is based on established federal and state partnerships.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

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